

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Joint Application of AT&T Communications of California, Inc. (U 5002 C) and WorldCom, Inc. for the Commission to Reexamine the Recurring Costs and Prices of Unbundled Switching in Its First Annual Review of Unbundled Network Element Costs Pursuant to Ordering Paragraph 11 of D.99-11-050.

Application 01-02-024  
(Filed February 21, 2001)

Application of AT&T Communications of California, Inc. (U 5002 C) and WorldCom, Inc. for the Commission to Reexamine the Recurring Costs and Prices of Unbundled Loops in Its First Annual Review of Unbundled Network Element Costs Pursuant to Ordering Paragraph 11 of D.99-11-050.

Application 01-02-035  
(Filed February 28, 2001)

Application of The Telephone Connection Local Services, LLC (U 5522 C) for the Commission to Reexamine the Recurring Costs and Prices of the DS-3 Entrance Facility Without Equipment in Its Second Annual Review of Unbundled Network Element Costs Pursuant to Ordering Paragraph 11 of D.99-11-050.

Application 02-02-031  
(Filed February 28, 2002)

Application of AT&T Communications of California, Inc. (U 5002 C) and WorldCom, Inc. for the Commission to Reexamine the Recurring Costs and Prices of Unbundled Interoffice Transmission Facilities and Signaling Networks and Call-Related Databases in Its Second Annual Review of Unbundled Network Element Costs Pursuant to Ordering Paragraph 11 of D.99-11-050.

Application 02-02-032  
(Filed February 28, 2002)

Application of Pacific Bell Telephone Company (U 1001 C) for the Commission to Reexamine the Costs and Prices of the Expanded Interconnection Service Cross-Connect Network Element in the Second Annual Review of Unbundled Network Element Costs Pursuant to Ordering Paragraph 11 of D.99-11-050.

Application 02-02-034  
(Filed February 28, 2002)

Application of XO California, Inc. (U 5553 C) for the Commission to Reexamine the Recurring Costs of DS1 and DS3 Unbundled Network Element Loops in Its Second Annual Review of Unbundled Network Element Costs Pursuant to Ordering Paragraph 11 of D.99-11-050.

Application 02-03-002  
(Filed March 1, 2002)

**ADMINISTRATIVE LAW JUDGE'S RULING  
SETTING ASIDE SUBMISSION AND REQUESTING  
SUPPLEMENTAL BRIEFING**

On August 21, 2003, the Federal Communications Commission (FCC) released its *Report and Order and Order on Remand and Further Notice of Proposed Rulemaking* in CC Docket Nos. 96-98, 98-147, and 01-338 (*Triennial Review Order*).

The Triennial Review Order (TRO) adopts new network unbundling requirements for incumbent local exchange carriers (ILECs), such as Pacific Bell Telephone Company (SBC Pacific), and it clarifies rules for setting unbundled network element (UNE) costs using the forward-looking economic cost methodology known as “Total Element Long Run Incremental Cost” (TELRIC).

The above-captioned proceeding, also known as the 2001/2002 UNE, Reexamination was submitted upon the filing of reply briefs on August 22, 2003. The TRO, which issued one day before this submission date, clarifies two key components of the FCC’s TELRIC pricing rules and it makes numerous findings regarding the UNEs that ILECs must provide to their competitors. Given the timing of the FCC’s order and its potential impact on this Commission’s application of TELRIC in setting UNE prices for SBC Pacific, I will set aside submission of this matter and request that parties file supplemental briefs on the following:

1. Does the FCC’s clarification of TELRIC rules with regard to cost of capital and depreciation change any positions the parties have taken in their filings and if so, how?
2. Do any other findings or conclusions in the FCC’s TRO impact issues within the scope of this case, change a parties’ position on TELRIC cost modeling approaches, or otherwise impact the Commission’s interpretation of TELRIC in those cost models?

I caution parties that in filing supplemental briefs to respond to these two questions, I will ignore attempts to merely reargue positions already taken in prior filings in this case or present new factual information. Parties should limit their supplemental briefs to the legal and policy effect of the FCC’s TRO on the Commission’s application and interpretation of TELRIC in this proceeding.

I will limit the supplemental briefs to 20 pages in length, and reply briefs to 10 pages.

Therefore, **IT IS RULED** that:

1. Parties may file supplemental briefs on the two questions posed in this ruling no later than September 25, 2003.
2. Parties may file supplemental reply briefs on October 6, 2003, limited to responding to the issues raised in the supplemental briefs.
3. Parties shall limit their supplemental briefs and replies to 20 and 10 pages, respectively.
4. The previous submission date of August 22, 2003 for this case is set aside and the case will be resubmitted with the filing of supplemental reply briefs.

Dated September 15, 2003, at San Francisco, California.

/s/ DOROTHY J. DUDA

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Dorothy J. Duda  
Administrative Law Judge

**CERTIFICATE OF SERVICE**

I certify that I certify that I have by mail, and by electronic mail to the parties to which an electronic mail address has been provided a true copy of the original attached Administrative Law Judge's Ruling Setting Aside Submission and Requesting Supplemental Briefing on all parties of record in this proceeding or their attorneys of record.

Dated September 15, 2003, at San Francisco, California.

/s/ JANET V. ALVIAR

Janet V. Alviar

**N O T I C E**

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

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If specialized accommodations for the disabled are needed, *e.g.*, sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074,

A.01-02-024 et al. DOT/jva

TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.